

BYLAWS OF
PEBBLE CREEK CONDOMINIUM
UNIT OWNERS ASSOCIATION, INC.

ARTICLE I

General

A. Application. These Bylaws shall apply to the PEBBLE CREEK CONDOMINIUM UNIT OWNERS ASSOCIATION, INCORPORATED. This Association is a Missouri Not For Profit Corporation. It shall be referred to as the "Association."

B. Definition of Terms. The terms used in these Bylaws without definition shall have the meanings specified for those terms in the DECLARATION OF CONDOMINIUM, PEBBLE CREEK CONDOMINIUM.

"Declaration" as used in these Bylaws shall mean the DECLARATION OF CONDOMINIUM, PEBBLE CREEK CONDOMINIUM, recorded at Book ____, Page ____ of the Records of the Recorder of Deeds for St. Charles County, Missouri.

"Period of Declarant Control" means the period of time established in the Declaration of Condominium, Pebble Creek Condominium in Article III, Section 3, Subsection G.

ARTICLE II

Members

A. Membership in the Association.

1. The membership of the Association at all times

shall consist exclusively of all the Unit Owners of Units in the Pebble Creek Condominium and no other person or entity shall be entitled to membership.

2. A person shall become a member by the acquisition of a fee ownership interest in a Unit in the Pebble Creek Condominium. The membership of any person shall be terminated upon divestiture of title to or interest in the Unit. Transfer of membership shall be recognized by the Association upon its being provided with a certified copy of the recorded deed conveying title of the Unit to the new member.

3. Except as an appurtenance to a Unit, no member can assign, hypothecate, or transfer in any manner a membership in the Association or an interest in the funds and assets of the Association. The interest of each member in the Association's funds and assets shall be equal to that member's interest in the Common Elements of the Pebble Creek Condominium which is appurtenant to that member's Unit. The funds and assets of the Association shall belong solely to the Association and are to be used for the benefit of the membership and for the purposes stated in the Association's Articles of Incorporation, in the Declaration, or in these Bylaws.

B. Voting Rights. If a person owns more than one (1) Unit, that person should be entitled to one (1) vote for each Unit owned. In the event that a Unit is owned by more than one (1) person, or by a corporation, trust, or other entity, the

person entitled to cast the vote for that Unit shall be designated by a certificate filed with the Association and signed by all joint owners or the authorized agent of the corporation or other entity.

C. Meetings of Members.

1. Notice of Meetings. Not less than ten (10) nor more than sixty (60) days in advance of any meeting the Secretary shall cause notice to be hand delivered or sent prepaid by United States Mail, to the mailing address of each Unit, or to any other mailing address designated in writing by the Unit Owner. The notice of meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove a Director or officer.

2. Annual Meeting. The annual meeting of the members of the Association shall be held at the Condominium or such other convenient place in the State of Missouri as shall be designated by the Executive Board. The annual meeting shall be held on the second Monday in December of each and every year, beginning with the year 1986. The annual meeting will elect Board members and will consider the budget and will consider such other topics, whether under old or new business, as shall be brought before the meeting.

3. Special Meetings. Special meetings of the

Association may be called by the President, two (2) Executive Board members, or by twenty percent (20%) of the members. A call for a meeting shall be issued by the Secretary. Any special meeting shall be called for a date not less than ten (10) nor more than sixty (60) days after the request is made.

4. Quorum. A quorum is deemed present throughout any meeting of the members. A person is entitled to cast twenty percent (20%) of the votes which may be cast for election of the Executive Board or present in person or by proxy at the beginning of the meeting.

5. Proxy. The votes allocated to the Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one (1) person, each Owner of the Unit may vote a registered protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. No Unit Owner may revoke a proxy given pursuant to this Section, except by actual notice of the revocation to the person presiding over a meeting of the Association. The proxy is void if it is not dated or purports to be revocable without notice. The proxy terminates one (1) year after its date, unless it specifies a shorter term.

6. Roberts Rules of Order. The meetings of the members shall be governed by Roberts Rules of Order.

ARTICLE III

Executive Board

A. Composition and Selection.

1. Composition. The business affairs of this Association shall be managed by the Executive Board. The Executive Board shall consist of five (5) members initially.

During the Period of Declarant Control of the Executive Board, the membership of the Executive Board need not be members of the Association.

During the Period of Declarant Control, Chateau Builders, Inc., may appoint and remove the officers and members of the Executive Board. Once Declarant Control terminates in accordance with the provisions of law in the Declaration, this power to appoint and remove shall terminate also.

After the Period of Declarant Control, all Executive Board members shall be a Unit Owner or the spouse of a Unit Owner (or, if a Unit Owner is a corporation, partnership, or trust, an Executive Board member may be an officer, partner, or beneficiary of such Unit Owner). If an Executive Board member shall cease to meet such qualifications during his term, he shall thereupon cease to be an Executive Board member and his place on the Board shall be deemed vacant.

2. Election of Directors. The election of Directors shall be conducted in the following manner:

(a) After the first election to the Executive Board of any member of the Association (as opposed to Declarant appointments to the Executive Board), the election of Association

member Directors shall be conducted in the following manner:

(1) Subsequent election of any Executive Board members from the ranks of the Association members shall be held at the members' annual meeting.

(b) A nominating committee of three (3) Unit Owners (any of whom may be Executive Board members) shall be appointed by the Executive Board not less than ninety (90) days prior to the members' annual meeting. By the sixtieth (60th) day prior to the members' annual meeting, the nominating committee shall nominate at least one (1) person for each Executive Board member whose term expires. Additional nominations may be made from the floor.

(c) The election shall be by written ballot, each member voting being entitled to cast his vote on a cumulative basis for as many nominees as there are terms then expiring. The candidate(s) receiving the highest number of votes shall be considered elected.

4. Term of Office. During the Period of Declarant Control, any Board member appointed by Declarant and any Board member elected by the Association shall serve one (1) year terms, with no staggered terms. After the Period of Declarant Control, Board term shall be staggered.

Beginning with the election of the first Executive Board which is to be elected totally by the Association members, the members of the Association shall vote for two (2) one (1)

year Board members and three (3) two (2) year Board members.

5. Removal of Members of the Executive Board.

During the Period of Declarant Control, the Declarant may remove any members of the Executive Board. After the Period of Declarant Control, the members of the Association by a two-thirds (2/3) majority vote of all members present and entitled to vote at such meeting at which a quorum is present, may remove any member of the Executive Board, for any reason.

6. Vacancies.

During the Period of Declarant Control, the Declarant shall fill vacancies for the unexpired term.

After the Period of Declarant Control, a vacancy occurring in the Board may be filled for the unexpired term by a majority vote of the remaining members of the Board.

7. Compensation. A Board member shall receive no compensation, but may be reimbursed for any out-of-pocket expenditures, or they may be paid for services expressly provided for by resolutions duly adopted by the membership at any meeting of the membership.

B. Meetings.

1. Regular Meetings. Regular meetings of the Board shall occur on the third Monday of each month at 7:30 p.m.; these meetings shall be at the Unit of the President of the Association or any other convenient place as may be specified by notice.

2. Special Meetings. Special meetings may be called by the President or any three (3) members of the Board. Notice for these special meetings shall be given forty-eight (48) hours in advance in writing to each Board members, unless the entire Board determines that an emergency exists, in which event, the Board shall meet immediately.

3. Quorum. A quorum for the transaction of business shall consist of two Board members. A majority of those Board members present at any meeting where a quorum is present shall decide any question presented at the meeting. A quorum is deemed present throughout any meeting of the Board so long as two Board members are present during the meeting.

C. Powers and Duties.

1. The Board shall have the following powers and duties:

(a) To adopt and amend rules and regulations for Pebble Creek Condominium (and by way of example only and not by way of limitation, the topics which may be treated in these rules and regulations include pet permits, sign permits, traffic regulations, administrative rules and regulations governing the operation and use of the Common Elements and parking regulations);

(b) To prepare and offer budgets for revenues, expenditures and reserves for Association Expenses for approval by the Association;

(c) To collect revenues and assessments in accordance with budgets approved by the Unit Owners;

(d) To hire and discharge managing agents and other employees, agents, and independent contractors;

(e) To institute, defend, or intervene in litigation or administrative proceedings in the Association's own name on behalf of the Association or on behalf of two (2) or more Unit Owners on matters affecting the Development;

(f) To make contracts and incur liabilities;

(g) To regulate the use, maintenance, repair, replacement, and modification of Common Elements;

(h) To cause additional improvements to be made as part of the Common Elements;

(i) To acquire, purchase, hold, encumber and convey in the Association's own name any right, title, or interest to real or personal property (and by way of example only and not by way of limitation, the Board on behalf of the Association is specifically authorized to enter into an agreement with the Declarant concerning certain recreational facilities which may be constructed and owned by the Declarant); and Common Elements may be conveyed or subjected to a security interest;

(j) To grant easements, leases, licenses, and concessions through or over the Common Elements;

(k) Impose and receive any payments, fees, or

charges for the use, rental, or operation of the Common Elements, and for services provided to Unit Owners;

(l) To provide for the indemnification of itself and the officers and to maintain Directors and officers' liability insurance;

(m) To impose reasonable charges for the preparation and recordation of statements of unpaid assessments;

(n) Impose charges for late payments of assessments and after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, these Bylaws, and any rules and regulations of the Association;

(o) To assign the Association's right to future income, including the assessments for Association Expenses;

(p) To exercise any other powers necessary and proper for it to accomplish its purpose as the policy-making and administrative body of the Association.

ARTICLE IV

Officers

A. Designation of Officers. The Board shall elect from its members the following officers of the Association:

1. A President, who shall preside over the meetings of the Board and over the meetings of the Association and shall be the chief executive officer of the Association. During the period between meetings of the Board, the President shall have general control and management of the business and affairs of the

Association. The President shall prepare, execute, certify and record amendments to the Declaration on behalf of the Association;

2. A Vice-President/Treasurer, who shall keep the financial records and books of account of the Association and substitute for the President when necessary; and

3. A Secretary, who shall keep the minutes of all meetings of the Board and of the membership and who shall perform all the duties generally incident to the office of Secretary.

B. Election of Officers. The election of officers shall occur at the first meeting of the Board following the annual meeting of the membership; or such election shall occur at the same Board meeting when any officer-board member is replaced.

C. Removal of Officers. Officers may be removed only by the members of the Association. Removal of a Board member's officer status by the membership does not remove that officer from the Executive Board, unless Board membership is terminated by a separate vote.

D. Term of Office. Officers shall be elected to hold one (1) year terms.

E. Vacancies. A vacancy occurring in an officer position may be filled for the unexpired term by a majority vote of the remaining members of the Executive Board.

F. Fidelity Bond Coverage. The Association must obtain

fidelity bond coverage for the Vice President/Treasurer naming the Association as an obligee. This fidelity bond coverage must be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of Pebble Creek Condominium, including reserves.

ARTICLE V

Association Responsibilities

A. Liability and Indemnification of Officers and Directors.

Executive Board members and the officers of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon that Executive Board member or officer in connection with any proceeding to which that Board member or officer may be a party or in which he may become involved, by reason of that Board member or officers being or having been a member of the Executive Board or officer of the Association, whether or not he is a member of the Executive Board or officer at the time such expenses are incurred, except in such cases wherein the member of the Executive Board or officer is adjudged by a court of competent jurisdiction to be guilty of willful misfeasance or malfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such member of the Executive Board or officer may be entitled.

B. Insurance. The Association shall purchase insurance for

such purposes and in such amounts as it deems appropriate and meets the requirements of prevailing law. Such insurance may include Directors and officers' liability insurance to cover the Executive Board members and officers of the Association and should also include the insurance required by Section 448.3-113 R.S.Mo., as it exists at the time of the adoption of these Bylaws and as it may be amended from time to time.

C. Maintenance, Repair, and Replacement. The Association is responsible for maintenance, repair, and replacement of the Common Elements. Each Unit Owner is responsible for maintenance, repair, and replacement of his Unit. Each Unit Owner is financially responsible for the maintenance, repair, and replacement of any Limited Common Element which may be appurtenance to his Unit, though such maintenance, repair, and replacement may be contracted by the Association.

ARTICLE VI

Budget and Assessments

A. Computation of Budget and Assessments. The Board shall compute a proposed budget for the next budget year and shall finalize this proposed budget for the Association at its October Board meeting. A summary of this proposed budget shall then be provided to all Unit Owners within thirty (30) days after the October Board meeting. At the same time that it provides a summary of this proposed budget to all the Unit Owners, the Board

shall advise the Unit Owners that the budget will be presented for ratification at the annual meeting of the Unit Owners. Unless at the annual meeting of the Unit Owners a majority of all Unit Owners reject the proposed budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify subsequent budget proposed by the Board.

The budget must make provision for an adequate reserve fund for the periodic maintenance, repair, and replacement of the Common Elements; this fund shall be a line item maintained out of the regular assessments for Common Expenses. Additionally, a working capital fund was established for the initial months of the project operations equal to at least two (2) months estimated Common Expense Liability for each Unit. If any additional tracts are added to the Condominium, the Declarant will pay into that year's income this working capital fund which will be equivalent to two (2) months estimated Common Expense Liability charge for each Unit in the new tract added to the Condominium.

B. Assessments. These Bylaws, in order to be in absolute conformity with the prevailing and operating provisions of the law, adopt verbatim the provisions of Section 448.3-115 R.S.Mo., as it exists as of the date of the adoption of these Bylaws and as it may be amended from time to time.

C. Payment. On or before the first day of each month of

the year covered by the annual budget, each Unit Owner shall pay one-twelfth of the Unit's Common Expense Liability. The Board may send each Unit Owner before the first day of each month a statement of the Unit's Common Expense Liability payment due for the month. The failure to receive such statement shall not relieve any Unit Owner from his obligation to pay his monthly payment on or before the first day of each month. In the event that the Association shall not approve a proposed budget, each Unit Owner shall continue to pay the monthly payment as last determined. Each Unit Owner shall pay the monthly payment on or before the first day of each month to the Treasurer of the Association. No Unit Owner shall be relieved of the obligation to pay the Unit's Common Expense Liability by abandoning or not using his Unit or the Common Elements.

D. Supplemental Assessments. If during the year, the Board determines that the Association's income is insufficient or inadequate to cover the Association Expense Liability for the remainder of such year, then the Board shall prepare and offer an amended annual budget covering the estimated deficiency for the remainder of such year. The Board shall furnish copies to each Unit Owner and call a special meeting of the membership to approve this supplemental assessment. Unless at the special meeting a majority of all Unit Owners reject the supplemental assessment, the supplemental assessment is ratified, whether or

not a quorum is present. In the event the supplemental assessment is rejected, the Unit Owners present at that special meeting may adopt a different supplemental assessment.

E. Capital Budget Contributions. The Board may establish a capital budget and determine the contributions to fund said budget so long as such budget does not exceed \$10,000.00 per year. If the Board determines that the capital budget must increase in any year beyond the \$10,000.00 limit imposed in these Bylaws, then the Board must obtain the approval of the Unit Owners holding at least seventy-five percent (75%) of the votes of the Association.

F. Limited Assessments. The Board may levy limited assessments against one or more Units to pay for liabilities which are attributable only to those Units. Limited assessments shall be due and payable within fifteen (15) days after a statement is sent, unless the statement shall specify a longer period.

G. Lien for Assessments. These Bylaws, in order to be in absolute conformity with the prevailing and operating provisions of the law, adopt verbatim the provisions of Section 448.3-116 R.S.Mo., as it exists as of the date of the adoption of these Bylaws and as it may be amended from time to time.

H. Records and Statements. The Board shall maintain accounting records. These records must comply with standard accounting practices. These records shall be open to inspection

by Unit Owners at reasonable times and upon reasonable notice. These records shall include a record of receipts and expenditures and a separate account for each Unit showing the Association Expense Liability charged to and paid by such Unit.

ARTICLE VII

Rule-Making and Enforcement

A. Authority. In accordance with the provisions of Section 448.3-102 R.S.Mo., as it exists as of the date of adoption of these Bylaws and as it may be amended from time to time, the Association gives to the Board the right to establish rules and regulations to impose on the Unit Owners. Restrictions are also stated in Article XIII of the Declaration. The Unit Owners are expected to follow the rules and regulations as promulgated by the Board as well as the restrictions stated in the Declaration.

B. Procedure For Adoption of Rules and Regulations.

1. Before the adoption of any initial set of rules and regulations, or any subsequent amendment of those rules and regulations, the Board shall send copies of the proposed rules and regulations to each Unit Owner no more than thirty (30) days nor less than fourteen (14) days before such rules and regulations or their amendments are to be considered for adoption by the Board at one of the Board's regular monthly meeting.

2. At the Board meeting when such rules and

regulations are to be considered, any Unit Owner may appear for purposes of commenting on the proposed rules and regulations or amendments. The Board may then proceed to adopt, amend, or reject any such proposed rule or regulation or amendment at the scheduled meeting.

3. The Board shall then send copies of the adopted rules and regulations or amendments to each Unit Owner within fourteen (14) days after the rules and regulations or amendments have been adopted.

C. Enforcement.

1. Authority. The Association may levy reasonable fines for violations of the Declaration, the Bylaws, and the Rules and Regulations of the Association. The Board has the power and duty to levy these reasonable fines.

2. Procedure for Levy of Fines.

(a) Notice. Should the Board decide to consider the nature and extent of any violation of the Declaration, these Bylaws, or the Rules and Regulations of the Association and what may be a reasonable fine for any violations of the Declaration, Bylaws, and Rules and Regulations, it shall send notice to the particular individual Unit Owner against whom the fine is to be brought, and notice shall be sent to all entities having an ownership interest in the Unit against which enforcement would ultimately have to occur..

This notice shall state the accusations which the Board is

bringing against the Unit Owner and shall state the date, time and place upon which such matters will be considered.

The notice shall be sent not less than ten (10) nor more than sixty (60) days before the scheduled hearing.

(b) Opportunity to be Heard. The Board shall be the administrative body which reviews all matters concerning the allegations against an individual Unit Owner. The Board's attorney shall present any credible evidence to the Board relating to the allegations. The individual Unit Owner so notified shall have an opportunity to present any credible evidence available to that Unit Owner and to make any summary or closing comments which that Unit Owner may deem appropriate.

(c) Decision. The Board shall render its decision within ten (10) days after the hearing. Its decision shall be forwarded to all interested parties, including particularly any individual Unit Owner against whom the fine is proposed to be levied as well as the other entities owning an interest in that Unit. If a fine is in fact levied, the amount of the fine shall be stated and a provision shall be allowed for payment within twenty (20) days following the Board decision.

3. Further Enforcement. The Board and all Unit Owners are reminded that further enforcement is available to the Association by judicial remedies. In any litigation concerning the enforcement or applicability of any rules or regulations

against a Unit Owner, the losing party shall pay the prevailing party's litigation costs, including attorneys' fees, expert witness fees, and other costs customarily associated with litigation.

ARTICLE VIII

Amendment

These Bylaws may be amended, altered or rescinded upon approval of a majority of the total existing votes of the Association at a regular or special meeting of the members, notice of which shall have stated that such proposed amendment is to be voted upon at the meeting. Such amendments, once adopted, shall be prepared, executed, and recorded by the Secretary of the Association.


President

ATTEST:

Secretary